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UNCLAS SECTION 01 OF 02 VIENNA 000611

SIPDIS

STATE FOR PM/DTCC - BLUE LANTERN COORDINATOR -- PETER
MAXWELL AND PETER SABATINI

E.O. 12958: N/A

TAGS: [ETTC](#) [KOMC](#) [AU](#) [TC](#)

SUBJECT: BLUE LANTERN END-USE CHECKS: LICENSES 05-91445,
05-908239 AND 05-900036 FOR SCHIEBEL ELEKTRONISCHE GERAETE,
VIENNA, AUSTRIA

REF: A. (A) STATE 35570

[B.](#) (B) STATE 28053

[C.](#) (C) ABU DHABI 880

[D.](#) (D) 04 STATE 268472

[E.](#) (E) 04 STATE 210819

[F.](#) (F) 04 STATE 210780

[1.](#) EconPolCouns and DATT met on March 2 with Hans G. Schiebel, President and CEO of the Schiebel Group and Schiebel Elektronische Geraete GmbH, and Evelynne Pallanich, a Marketing Assistant, at Schiebel's headquarters at Margaretenstrasse 112, A-1050 Vienna. During the meeting, James Rolig, Schiebel's Manager for Camcopter Service and Support, joined the discussion. (Per ref c, Rolig, an Amcit, had participated in Embassy Abu Dhabi's end-use check.) Schiebel provided the following information in response to ref (a) and (b) questions.

[2.](#) DTC case 05-914445: 5 Inertial Measurement Units

-- How is Schiebel using the IMUs? The IMUs will go into the flight control systems of Camcopter S-100 prototypes (actually, Dr. Schiebel explained, these are pre-production models, almost identical to what will emerge from full-scale production). Schiebel will install two IMUs per aircraft, for purposes of redundancy. Dr. Schiebel explained that his plan was to use one U.S.-origin (i.e., Honeywell) IMU and one from another source in each aircraft. Dr. Schiebel said he hoped to sign a production contract with the United Arab Emirates which would permit him to order 100 more IMUs from Honeywell.

-- Have all 5 IMUs been installed on the Camcopter prototype UAV? No. In the course of testing the pre-production models which Schiebel has built, the company is in the process of determining which of the IMU models (of the three Honeywell types they have) they will use in production. Therefore, the company is still in a process of installing, using, and removing the IMUs for various test purposes.

-- To what kind of applications will the prototypes be used? Schiebel is using the aircraft for flight testing, development, and flight demonstrations to potential customers. The aircraft are physically present in Vienna, and undergo flight testing at a military airfield in nearby Wiener Neustadt, Austria. Dr. Schiebel noted that his company has applied for another export license for IMUs to install in the two prototypes which Schiebel will deliver to the United Arab Emirates.

[3.](#) DTC case 05-908239: 10 actuators

-- Have all 10 actuators been incorporated into the Camcopter VTOL UAV system? No. Dr. Schiebel explained that there had been a mixup with Kearfott Guidance and Navigation by which Schiebel received some analogue actuators instead of the digital actuators Schiebel required. Some of the actuators are in Vienna and some are in the UAE, he said, but all were still the property of Schiebel.

-- Into how many UAV systems were they incorporated? None on a permanent basis. Dr. Schiebel explained that the company is constantly installing and uninstalling the actuators for test purposes. In the end, the materials will go into two complete airframes, each of which will have one IMU and 5 actuators.

-- Were all these systems sent to the UAE armed forces? Not yet. Delivery of those two aircraft will take place "by midyear to the end of the year," with potential delays due to bureaucratic requirements.

-- When were the systems sent by Schiebel to the UAE? September 2004, when flight testing began in the UAE. However, the systems remain the property of Schiebel until delivery later this year.

[4.](#) DTC case 05-900036: 4 quartz rate sensors

-- Schiebel received the quartz rate sensors as planned. The quartz rate sensors are currently in Schiebel's warehouse

in Vienna, and Schiebel no longer intends to use them. Dr. Schiebel said the company had acquired the equipment when it planned to build its own Inertial Measurement Units (IMU). However, the company determined that it was cheaper and more efficient to buy complete IMUs from Honeywell. Dr. Schiebel noted that it was unlikely that he would ever use the 4 quartz rate sensors, because better and cheaper technology was now available. He expressed some doubt as to how to eliminate them from his inventory, and said he would appreciate any guidance we could offer.

No Sales to Iran

15. We took advantage of the meeting to enquire about internet allegations that Schiebel had sold units of its first generation Camcopter to Iran. (Entries at www.keypublishing.co.uk and www.vectorsite.net include the line, "It was purchased by the Iranians, officially to help clear minefields, but has apparently also been used for patrolling Iran's border with Afghanistan.") Dr. Schiebel said these reports were false, and Schiebel has not/not sold any aircraft to Iran. Dr. Schiebel explained that Iran had enquired about Schiebel's products about two years ago, but "nothing came of it."

Brown